

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01

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FM AMEMBASSY LISBON

TO SECSTATE WASHDC 7753

INFO USMISSION EC BRUSSELS

AMEMBASSY MADRID

AMEMBASSY LONDON

USMISSION NATO

AMCONSUL OPORTO

AMEMBASSY PARIS

USMISSION OECD PARIS

AMCONSUL PONTA DELGADA

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E.O. 11652: N/A

TAGS: ECON, ENRG, EIND, PO

SUBJ: FURTHER REPERCUSSIONS FROM ELECTRICITY CUTS

REF: LISBON 4542

SUMMARY: POWER INTERRUPTIONS ARE BEING APPLIED ALMOST INDIS-
CRIMINATELY WHILE INDUSTRIES STILL TRY TO NEGOTIATE COM-
PROMISE SOLUTIONS. ALTHOUGH MOST POLITICAL PARTIES TOOK
MODERATE POSITIONS, LABOR CONFEDERATION ANNOUNCED ITS OPPOS-
ITION TO MEASURES INVOLVING WORKER SACRIFICES. LABOR MINISTRY
NOTE PLACED ENTIRE FINANCIAL BURDEN OF POWER INTERRUPTIONS
ON MANAGEMENT AND, IN EFFECT, ENCOURAGED NONCOOPERATION BY
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LABOR. END SUMMARY.

1. POWER INTERRUPTIONS ARE BEING APPLIED RATHER INDISCRIMINATELY. ALL CONSUMERS WHO ARE NOT ON SAME POWER LINE AS AN "ESSENTIAL SERVICE" (I.E. HOSPITALS, FIRE DEPARTMENTS AND WATER-PUMPING STATIONS) HAVE THEIR POWER CUT.

2. ALL MAJOR PARTIES EXCEPT PPD HAVE ISSUED STATEMENTS ON POWER INTERRUPTIONS:

-- SOCIALIST PARTY SPOKESMAN CALLED ELECTRICITY CUTS A NECESSARY MEASURE WITH WHICH PS AGREES;

-- SPOKESMAN FOR PCP SAID ENERGY RESTRICTIONS WERE NECESSARY, BUT OBJECTED TO GOP'S FAILURE TO EXPLAIN MEASURES TO THE PUBLIC. HE WARNED THAT INCREASED PRODUCTION COSTS OR REDUCED PRODUCTION MUST BE AVOIDED, BUT ASKED THAT WORKERS PARTICIPATE IN DETERMINING ADJUSTMENTS OF WORKING HOURS;

-- FAR LEFT UDP AGREED WITH NEED TO CUT ENERGY USE, BUT ASKED THAT RESTRICTIVE MEASURES BE DECIDED ONLY AFTER CONSULTATION WITH THE PEOPLE;

-- CONSERVATIVE CDS CONDEMNED POWER RESTRICTIONS AS "SEVERELY PREJUDICIAL TO NATIONAL PRODUCTION, ASSUMING THE PROPORTIONS OF TRUE ECONOMIC SABOTAGE." IT CALLED FOR IMMEDIATE REVISION OF ENERGY-RATIONING PROGRAM;

-- IN ADDITION TO PARTIES, THE PCP-DOMINATED LABOR CONFEDERATION, INTERSINDICAL, CONDEMNED ELECTRICITY CUTS FOR SACRIFICING NATIONAL PRODUCTION FOR A SMALL ENERGY SAVINGS. IT ALSO WARNED AGAINST POSSIBLE MANAGEMENT REFUSALS TO PAY WORKERS FOR PRODUCTION TIME LOST OR ATTEMPTS TO REQUIRE ADDITIONAL WORKING HOURS WITHOUT EXTRA PAY.

3. OTHER REPERCUSSIONS FROM AND REACTIONS TO DAILY POWER INTERRUPTIONS CONTINUE TO GROW. FOR EXAMPLE:

-- MINISTRY OF LABOR ISSUED OFFICIAL NOTE RESPONDING TO INDUSTRY ATTEMPTS TO COMPENSATE FOR PRODUCTION LIMITED OFFICIAL USE

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LOSSES BY ADJUSTING WORK HOURS OR BY REFUSING TO PAY SALARIES FOR TIME LOST DUE TO POWER CUTS (PARE 3, REFTEL). NOTE CLAIMED THAT "INEVITABLE AND UNFORESEEABLE" NATURE OF POWER INTERRUPTIONS, BEYOND SCOPE OF INDIVIDUAL COMPANIES, CONSTITUTES CASE OF "FORCE MAJEURE". RISK FALLS ENTIRELY ON MANAGEMENT, WHICH MUST CONTINUE TO PAY REGULAR SALARIES. WORK HOURS CAN BE ALTERED ONLY THROUGH AGREEMENT BETWEEN WORKERS AND MANAGEMENT.

MANAGEMENT CAN UNILATERALLY SWITCH WORKERS TO OTHER
JOBS AS LONG AS IT ADHERES TO PROVISIONS OF 1969
COLLECTIVE LABOR LAW;

-- METALLURGICAL AND MACHINERY ASSOCIATION CLAIMED
ITS MEMBERS WERE LOSING \$1.6 MILLION PER DAY AND 20
PERCENT OF WEEKLY PRODUCTION; AND

-- CERAMICS MANUFACTURERS' ASSOCIATION COMPLAINED
THAT ITS MEMBERS WERE LOSING 25 PERCENT OF PRODUCTION.
IT SAID THAT POWER CUTS REPRESENTED "FALSE ECONOMY" IN
THAT ENERGY NEEDED TO REHEAT KILNS AFTER POWER INTER-
RUPTION WAS MORE THAN WOULD HAVE BEEN USED DURING
TIME THAT POWER WAS OFF. ASSOCIATION ALSO POINTED OUT
THAT CERAMICS BEING FIRED WHEN POWER IS CUT ARE RUINED,
AND THAT KILNS WILL SUFFER SERIOUS DAMAGE FROM POWER
AND TEMPERATURE OSCILLATIONS.

4. COMMENT: PCP ASSUMED A "RESPONSIBLE" POSTURE WHILE
ITS AFFILIATE, INTERSINDICAL, TOOK THE MORE RADICAL
POSITION. FOLLOWING LATTER LINE, WORKERS HAVE RESISTED
CHANGES IN WORKING HOURS, SAYING THAT PROBLEM IS STRICTLY
BETWEEN MANAGEMENT AND GOVERNMENT. MINISTRY OF LABOR'S
LEGALISTIC NOTE, WHICH MOST PROBABLY WAS NOT CLEARED
THROUGH THE GOVERNMENT, HAS EXACERBATED SITUATION. IT
EFFECTIVELY PLACES ENTIRE BURDEN ON COMPANIES, MANY OF
WHICH ARE ALREADY OVERBURDENED BY EXCESS COSTS.
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